



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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ST. BERNARD PARISH GOVERNMENT

St. Bernard Parish Government sustained two thefts in 2012, according to an audit of parish finances released Monday by Legislative Auditor Daryl Purpera. The audit was conducted by the independent CPA firm of Postlethwaite and Netterville, APAC.

One of the thefts was bleachers valued at \$100,000 that were sold as scrap. This theft resulted in arrests, and the parish received about \$96,000 in insurance proceeds.

The second theft was approximately \$1,100 in proceeds from a parish-operated recreational boat facility. The audit said the money was taken home by an employee for safekeeping, but the employee's home was vandalized and the money was stolen. The parish government notified the police of the boat rental theft, but no arrests were made, and restitution was not received by the parish.

St. Bernard officials said they have reviewed the circumstances related to the two thefts and improved controls to ensure that incidents of this nature do not happen in the future. The audit said parish officials have initiated better cash management procedures at recreational facilities to include receipts, lock boxes for cash and better bank drop-off policies.

The report included 13 findings and three management letter comments dealing with parish accounting policies and procedures.

The audit also found that St. Bernard Parish Government:

- Lacks adequate policies, procedures and related internal controls to prepare accurate and complete financial statements on a timely basis and did not have controls to ensure capital assets were accounted for promptly.
- Identified assets that were destroyed in Hurricane Katrina in 2005 but not previously recorded.
- Did not have controls in place to ensure expenditures were reported on a timely basis.
- Allowed the same employee to add new vendors to the accounting system; input invoices; decide which checks would be paid; and process, print and sign checks



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with a rubber stamp. Auditors said those duties should not be concentrated in the hands of one person.

- Lacked a formal process to administer computer access for new employees and delete computer access for terminated workers. It also said that non-information technology employees have the same access to the accounting system as IT workers.

The audit disclosed that eight parish funds had deficits totaling about \$30 million, with the largest, \$25.2 million, in a federal block grant fund for disaster recovery. The Garbage District No. 1 Fund had a shortfall of more than \$1.1 million.

The audit said St. Bernard officials are working on obtaining additional funding from federal agencies and the deficit in the garbage fund was the result of decreased sales tax revenue and increased sanitation expenditures.

The report stated that parish officials have indicated they will better monitor the garbage fund and all of the shortfalls will be funded through the general fund or future revenues in the parish.

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